

Under the provisions of Section 413.031 of the Texas Workers' Compensation Act, Title 5, Subtitle A of the Texas Labor Code, effective June 17, 2001 and Commission Rule 133.305, titled Medical Dispute Resolution-General, and 133.307, titled Medical Dispute Resolution of a Medical Fee Dispute, a review was conducted by the Medical Review Division regarding a medical fee dispute between the requestor and the respondent named above.

I. DISPUTE

1. a. Whether there should be additional reimbursement for dates of service 09/06/01 through 09/10/01?
- b. The request was received on 01/09/02.

II. EXHIBITS

1. Requestor, Exhibit 1:
 - a. TWCC 60
 - b. HCFA 1450/UB-92
 - c. EOB
 - d. Medical Records
 - e. Any additional documentation submitted was considered, but has not been summarized because the documentation would not have affected the decision outcome.
2. Respondent, Exhibit 2:
 - a. TWCC 60 and Response to a Request for Dispute Resolution dated 03/07/02
 - b. HCFA 1450
 - d. Audit summaries/EOB
 - e. SOAH decision dated April 24, 2001 docket number 453-00-2092.M4
 - d. Medical Records
 - e. Any additional documentation submitted was considered, but has not been summarized because the documentation would not have affected the decision outcome.
3. Per Rule 133.307 (g) (4), the carrier representative signed for the copy on 02/25/02. The response from the insurance carrier was received in the Division on 03/07/02. Therefore, the insurance carrier's response is timely.
4. Notice of Medical Dispute is reflected as Exhibit #3 of the Commission's case file.

III. PARTIES' POSITIONS

1. Requestor:

The Provider is seeking additional reimbursement in the amount of \$25,291.90 for the dates of service 09/06/01 to 09/10/01.

2. Respondent:

“Although Provider did not submit a Statement of Disputed Issues, it appears to be Provider’s position that it is entitled to reimbursement of 75% of its billed charges under the stop-loss provisions of the Acute Care Inpatient Hospital Fee Guideline because its billed charges exceed \$40,000.00. Provider is not entitled to reimbursement of 75% of its billed charges for two separate reasons:

- 1) There is a PPO agreement which applies to Provider’s bill;
- 2) Even if there were no PPO agreement, Provider would not be entitled to reimbursement of 75% of its billed charges because the total audited charges do not exceed the minimum stop-loss threshold of \$40,000.00.

- 1) There is a PPO agreement which applies to Provider’s bill.

The bill in this case is for dates of service 09/06/01 – 09/10/01. For these dates of service, there was a PPO agreement in effect between Provider and Southwest Preferred Network. This PPO agreement provided for a surgical per diem of \$1,100, a stop loss of \$50,000, and reimbursement of implantables at cost plus 10%. Carrier had access to this agreement through its bill review contract with Zurich Services Corp. Carrier is attempting to obtain a copy of the PPO agreement and will supplement its response with the agreement when it is obtained.

- 2) Even if there were no PPO agreement, Provider would not be entitled to reimbursement of 75% of its billed charges because the total audited charges do not exceed the minimum stop-loss threshold of \$40,000.”

The Carrier denies additional reimbursement as U-“Unnecessary Treatment (Without Peer Review) and F-“Fee Guideline MAR Reduction.”

IV. FINDINGS

1. Based on Commission Rule 133.307(d) (1) (2), the only dates of service eligible for review are those commencing on 09/06/01 and extending through 09/10/01.
2. The Provider billed the Carrier \$47,525.60 for the dates of service 09/06/01 to 09/10/01.

3. The Carrier reimbursed the Provider \$10,352.10 for the dates of service 09/06/01 to 09/10/1.
4. The amount in dispute is \$25,291.90 for the dates of service 09/06/01 to 09/10/01.
5. Provider denies having a PPO contract with the carrier.
6. The Carrier states there is a PPO contract with the Provider, but it was not submitted with the Carrier response.
7. There is not a contract in the Respondent's dispute packet.

V. RATIONALE

Medical Review Division's rationale:

According to TWCC Rule 134.401 (c)(6)(A)(i)(ii)(iii)(iv)(v) "Stop-Loss Method. Stop-loss is an independent reimbursement methodology established to ensure fair and reasonable compensation to the hospital for unusually costly services rendered during treatment to an injured worker. This methodology shall be used in place of and not in addition to the per diem based reimbursement system. The diagnosis codes specified in paragraph (5) of this subsection are exempt from the stop-loss methodology and the entire admission shall be reimbursed at a fair and reasonable rate. (i) To be eligible for stop-loss payment the total audited charges for a hospital admission must exceed \$40,000, the minimum stop-loss threshold. (ii) This stop-loss threshold is established to ensure compensation for unusually extensive services required during an admission. (iii) If audited charges exceed the stop-loss threshold, reimbursement for the entire admission shall be paid using a Stop-Loss Reimbursement Factor (SLRF) of 75%. (iv) The Stop-Loss Reimbursement Factor is multiplied by the total audited charges to determine the Workers' Compensation Reimbursement Amount (WRCA) for the admission. (v) Audited charges are those charges which remain after a bill review by the insurance carrier has been performed. Those charges which may deducted are personal items (e.g., telephone, television). If an on-site audit is performed, charges for services which are not documented as rendered during the admission may be deducted. The formula to obtain audited charges is as follows: Total Charges – Deducted Charges = Audited Charges."

The Provider has denied having a PPO contract with the Carrier per the conversation on date 04/19/02. Since this is the case, the entire charges will be decided as a Stop-Loss per the TWCC Rule referenced.

Even though the Carrier raised the issue of Fair and Reasonable in it's position statement, the Medical Review Division will only address the codes of denial on the submitted EOB.

The Carrier denied the charges in dispute as U-"Unnecessary Treatment (without Peer Review) and F-"Fee Guidelines MAR Reduction." Carrier's response was timely and no other reaudits were noted. Therefore, the Medical Review Division's decision is rendered based on the denial codes submitted to the Provider prior to the date of this dispute being filed.

The total charges in the amount of \$47,252.60, the Carrier has also denied as U-“Unnecessary Treatment (Without Peer Review). Unnecessary Treatment becomes a moot point when the surgery was preauthorized per the letter dated 08/01/01 stating “The letter is your preauthorization for spinal surgery and is valid for one year from the date the letter is issued.”

According to TWCC Rule 134.401 (c) (4) “Additional Reimbursements. All items listed in this paragraph shall be reimbursed in addition to the normal per diem based reimbursement system in accordance with the guidelines established by this section. **Additional reimbursements apply only to bills that do not reach the stop-loss threshold** (bolded for emphasis) described in subsection (c) (6) of this section.

Therefore, additional reimbursement is recommended in the amount of \$25,291.90 for the dates of service 09/06/01 through 09/10/01.

The above Findings and Decision are hereby issued this 23rd day of April, 2002.

Michael Bucklin, LVN
Medical Dispute Resolution Officer
Medical Review Division

MB/mb

VI. ORDER

Pursuant to Sections 402.042, 413.016, 413.031, and 413.019 the Medical Review Division hereby ORDERS the Respondent to remit \$25,291.90 plus all accrued interest due at the time of payment to the Requestor within 20 days receipt of this order.

This Order is hereby issued this 23rd day of April, 2002.

Judy Bruce
Director Medical Review Division
Medical Review Division

JB/mb

This document is signed under the authority delegated to me by Richard Reynolds, Executive Director, pursuant to the Texas Workers' Compensation Act, Texas Labor Code Sections 402.041 - 402.042 and re-delegated by Virginia May, Deputy Executive Director.